

# FOREIGN POLICY BULLETIN

*An interpretation of current international events  
by the Research Staff of the Foreign Policy Association*



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## ***Austrians Hopeful But Wish For End of Occupation***

At a moment when Russia and the Western powers are trying to break their deadlock on Germany, it is difficult to forecast the course of events in Austria, which is so directly affected by the East-West conflict. Nevertheless, several long-term trends can be observed in this key Central European nation.

### ***Remarkable Stability***

First, the Austrians have demonstrated beyond any doubt that, despite enormous handicaps, they are capable of maintaining stable government and of preventing runaway inflation. The newly restored Austrian Republic has suffered no political crisis serious enough to overthrow the coalition government which came to power after the free elections of November 1945, and it has had no major strikes or other serious labor troubles. In postwar Europe such a record is remarkable enough, but it is all the more noteworthy in Austria, which was so badly damaged and disrupted by the war that most adults now look back to the austere living conditions of the depression years with genuine envy.

Although the charming villages of Western Austria were left unscathed by the war, and the resort area around Salzburg is as beautiful as ever, Eastern Austria is still full of reminders that this countryside was recently a battleground. In Vienna, despite three years of tedious repair work and tidying up, there are uncounted thousands of bombed-out buildings, all of them filled with rubble and the gray dust that sifts over the city, giving everything a uniformly drab color. Even the faces of the poorly fed people, it seems, have taken on the dull gray

tone of the city, and it is only at the State Opera's magnificent performance of Johann Strauss' *Gypsy Baron* that one sees Austrians who are extravagantly healthy and energetic.

That Austria has avoided political upheaval under these conditions is due largely to the determination of the two chief parties, the Socialists and the conservative People's party, to maintain a common front against the Communists. Living next door to Hungary and Czechoslovakia, the Austrians have been particularly conscious of the way in which quarrels within and among the democratic forces in those countries paved the way for Communist coups, and are determined to prevent a similar development in their own country. Moreover, in Austria the Socialists, who had had considerable political experience in the interwar years, form a particularly effective barrier against the Communists, for they have unquestioned control of organized labor, and maintain a discipline among their rank and file that must be the envy of the extreme Left. For the present, at least, there is no doubt as to the success of the coalition government in checking the Communist party. The Communists are currently estimated to have fewer members than in November 1945, when they polled only 5 per cent of the popular vote.

### ***Weariness with Occupation***

Since Austrian political leaders have had such a large measure of success in holding Austria steady, their views on Allied occupation are worthy of careful consideration. These views have fluctuated somewhat in the past. Now, however, there is

a virtually unanimous hope among spokesmen of both major parties that all Allied troops will be withdrawn from Austria as soon as possible.

One reason the occupation is so unwelcome is that it creates a crippling sense of insecurity. Although the Austrians are aware that important differences exist between the situation in Germany and that prevailing in their own country, they are uneasy lest the present international struggle in Berlin tear their nation apart too, or, worse yet, lead to a new war on their soil. The absence thus far of definite signs of partition is due, in the opinion of many Austrians, to conviction both in Russia and in the West that it would be impracticable to split so small a country. But they fear that even this consideration will not prevent an East-West division if the occupation continues indefinitely.

The extended occupation of Austria by rival powers has also added to the difficulties of reconstruction. The very cost of the occupying forces, while greatly reduced at the insistence of the United States, nevertheless amounts to 10 per cent of the country's current budget, and is a drain on sources of revenue which might otherwise be devoted to the rebuilding of the country. Above all, the failure of the Allies to settle the long-disputed issue of "German assets" has left Russia in control of the oil industry and more than 200 other industrial enterprises in Eastern Austria. The government in Vienna is thus unable to draw on the resources of one of its richest areas in its present battle for recovery.

The virtually universal longing of the Austrians to see the last Allied soldier

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depart does not mean that the non-Communist Austrian leaders overlook the possibility that Russia might attempt to exert pressure on their government once the Western powers withdraw from the country. On the contrary, this possibility is widely recognized. But the Austrians are so confident of their ability to remain united against Communist penetration, that they feel certain Russia would be obliged to resort to an outright show of force in establishing a Communist regime in Vienna. If this happened, they contend that the Western powers would be confronted with as clear a case of Russian aggression as though Red Army troops had attacked Western occupation forces, and would be obliged to come to Austria's aid.

Whether this assumption is actually correct or merely a rationalization of an understandable impatience with the occupation will remain an open question until American long-range policy toward Austria is further defined. At the moment the United States is primarily concerned with

helping Austria hold the gains it has already made in the direction of full independence and recovery, and in preventing either an economic collapse or Russian pressure from undermining the large majority commanded by the two democratic parties. It is already clear, however, that the United States will ultimately have to face the question whether it is willing to make a definite commitment to defend Austria's independence.

WINIFRED N. HADSEL

(Mrs. Hadsel has recently returned from a visit to Austria.)

## ***Latin American Unrest Typified In Peru and Panama***

From Mexico south to Chilean latitudes, Latin America, struggling in the grip of economic insecurity and political unrest, merits the description of "continent in crisis" it has recently received. Even reputedly well-ordered nations like Colombia and Costa Rica have recently succumbed to insurrectionism or civil war. It is, therefore, reasonable to say that democratic, representative government is today endangered everywhere in Latin America, whether it exists as a fact or merely as a hope in men's minds. This is the situation in Panama and Peru. Each of these countries labors under special problems which make them probably as vulnerable to extremism as any of the twenty Latin American republics: in Panama, the proximity of the United States Army, and in Peru, the large, dispersed Indian population.

### ***Heady Mixture in Panama***

With the unsolved problem of United States bases in Panamanian territory an important issue in the May 9 elections, national pride was injected into local politics.\* On the whole, Panamanians are reluctant to assent to any long-term lease of national territory outside the Zone itself. Thus any government which would negotiate with the United States on this question has the difficult task of balancing Panamanian nationalism against the realistic consideration that the United States will insist on adequate defenses in this strategic area. The candidate of the Liberal party, Domingo Díaz Arosemena, campaigned on a program of continuing the policies of the present Jiménez government which supported him. The unknown quantity in the pre-elections period was former President Arnulfo Arias, candidate of the Authentic Revolutionary

party. Arias had been a complex and controversial figure ever since he obtained the Presidency in 1940 on a nationalistic and pro-Fascist platform. When the war came dangerously close to Panama in 1941, Arias was deposed by a coup. However, when he returned to campaign for the Presidency in 1947 he was somewhat more pro-United States.

The first unofficial count of the returns gave Dr. Arias a slight margin of victory over his principal opponent, Díaz Arosemena. But as the National Electoral Board proceeded laboriously to tabulate the ballots, Panama became restless. Tension culminated in an armed clash between the followers of Arias and the police on July 3. The next day Arias took asylum in the Canal Zone, while the Panamanian government declared a state of siege. Called to pass on the suspension of constitutional guarantees, the legislature, however, voted on July 12 to oust President Jiménez and install the relatively unknown Comptroller General, Henrique Obarrio, "provisional" President until 1952. Since this was the same Assembly which had rejected the Jiménez administration's arrangement on the bases, it must be supposed that its action was dictated by the desire not only to prevent Arias from becoming President, but also to assume power itself. Jiménez, sure of police support, refused to obey the Assembly's dictate, which the Supreme Court declared unconstitutional on July 13. The National Electoral Board on August 7 found that, in the end, Díaz Arosemena had won the election by the narrow margin of slightly over 1,000 votes. But that decision as such does not permanently dispose of Arias, now in exile again, or of his followers.

### ***Army Factor in Peru***

Unlike the situation in Panama, the

Peruvian crisis is not directly complicated by international considerations. It has its origin in the breakdown of the coalition of liberal, left and right-wing forces which brought President José Luis Bustamante to power in the unprecedentedly free elections of 1945. On the Left in that coalition was the Socialist APRA movement, headed by Raúl Víctor Haya de la Torre, which had become respectable and progressive. On the Right were disaffected members of the Lima oligarchy, personified by Marshal Oscar Benavides, dictator of Peru from 1933 to 1939. President Bustamante, in an address to the nation on June 29, described the problem which arose in 1945 as "a fight between two diametrically opposed movements: tradition and reform." The incongruity of this electoral alliance was immediately demonstrated in the 1946 session of the Peruvian Congress where a group of 22 independent Senators of the Right held the balance of power, and could effectively block the passage of such vital APRA-sponsored legislation as the bill establishing Peru's oil policy. In 1947 the *Independientistas* boycotted Congress altogether, and that body was consequently unable to convene. President Bustamante solved the Executive's dilemma by governing with a military cabinet.

When the time came for convocation of the 1948 Congress on July 28, it was a foregone conclusion that the *Independientista* faction would continue to "strike" Congress, deliberately assuming this grave responsibility on the ground that no legislative action was preferable to action by the *Apristas*, who were characterized as "domestic or disguised Communists." President Bustamante also laid the blame at Apra's door. Acknowledging that "tradition remains largely encrusted in the

\*See *Foreign Policy Bulletin*, January 9, 1948.

past," he nevertheless claimed on July 29 that the "reform" element had been "captured by partisan politicians waving the banner of an insincere, ambitious and noxious demagoguery"—a criticism which seems unfair in light of the circumspection with which the *Apristas* have behaved in

the crisis. In view of the breakdown of constitutional processes, therefore, the Peruvian President has called for elections to nominate a Constituent Assembly which would amend the law. This move has been declared unconstitutional by the liberal National Democratic Alliance and the

APRA, but upheld by the Supreme Court. President Bustamante, moreover, has the backing of the army and national police in whatever measures he proposes, and his government may well become increasingly repressive.

OLIVE HOLMES

## ***East-West Tension Weighs On Central Europe***

As the four-power negotiations continued in Moscow, Europe remained in a state of tension, with unfavorable developments still outweighing favorable symptoms. In New York the actions of Soviet Consul-General Jacob M. Lomakin in connection with the cases of two teachers—Mrs. Ok-sana Kasenkina and Mr. Mikhail Samarin—who had refused to return to the U.S.S.R. and had sought American protection brought a sharp rebuke from the United States government. In a bluntly worded note of August 19 the Department of State rejected two Russian notes of August 9 and 14 protesting against American intervention in the cases of the two teachers; declared that in connection with these cases "officials of the Soviet Government have been engaged in conduct which is highly improper"; and demanded the recall of Mr. Lomakin.

### ***The Turbulent Danube***

In Belgrade, the Danubian conference—the first postwar conference at which Russia and its supporters had a majority—came to a close on August 18 with the adoption of a new convention governing navigation on the Danube. This convention, proposed by Soviet Deputy Foreign Minister Andrei A. Vishinsky, was unquestioningly backed by the six Danubian countries represented at the conference—Bulgaria, Czechoslovakia, Hungary, Rumania, the Ukraine and Yugoslavia—but categorically rejected by the minority group of the Western powers—the United States, Britain and France. The document adopted by the Eastern bloc provides for an "international" commission composed of Russia, the six Danubian states represented at Belgrade and, eventually, Austria.

The United States made it clear that it was not seeking a permanent position on the new Danube Commission, but wanted

to represent the area of Germany it now occupies and to protect the rights of Austria. The principal objections against the Soviet draft expressed by the chief of the American delegation, Mr. Cavendish Cannon, Ambassador to Yugoslavia, were that the document fails to prevent discrimination against shipping on the river; that, in contrast to previous Danubian conventions, it does not provide for representation of nonriparian states; that, for the time being, until conclusion of an Austrian peace treaty, it bars Austria, a riparian state, from the commission; and that it makes no provision for representation of Germany, another riparian state. Mr. Cannon also sharply criticized the special position enjoyed by Soviet-controlled joint companies for shipping formed in Hungary, Rumania and Yugoslavia, stating that it constitutes a major obstacle to free navigation on the Danube. It should be pointed out that, for the time being, the upper part of the Danube—from Ulm, Germany, to Mauthausen, Austria—remains under the control of American occupation authorities; and on August 18 the Department of State announced that it will not recognize "the authority of any commission set up in this manner to exercise any jurisdiction in those portions of Austria and Germany."

### ***A Troubled Past***

Experts on Danubian problems have pointed out that numerous efforts over the centuries to internationalize the 1,725-mile-long waterway have been blocked again and again by national rivalries. Russia acquired a position on the Danube when it obtained Southern Bessarabia from Turkey in 1812, and its claims to a voice in Danubian affairs have been affected by changes in control of that strategic area. Following Russia's defeat in the Crimean war, the Tsarist government, under the

Treaty of Paris of 1856, surrendered Bessarabia, but recaptured this Danubian foothold twenty years later as a result of the war of 1877-78, and held Bessarabia until 1918, when the territory was seized by Rumania without opposition on the part of the Allies.

International control over the Danube, established at the Paris peace conference of 1856, was exercised until 1919 through two commissions: a European Commission in charge of the mouths of the river, which was composed only of representatives of the great European powers; and a Danube River Commission to regulate navigation above the mouths, which in addition to the great powers included representatives of Serbia and Rumania. During World War I Germany, having occupied the countries on the lower Danube, assumed control of the river. The two commissions, whose work had been interrupted by the war, were re-established after 1919. At that time representatives of the riparian states as well as of the Western powers were included in the International Commission of the Danube, successor of the Danube River Commission; but Russia, which before 1914 had participated in the Danube Commission, was excluded both from the European and the International Commission. On the eve of World War II Germany, which had occupied Austria and Czechoslovakia, enjoyed unchallenged domination over the Danube. Russia's reannexation of Bessarabia in 1940 restored its position at the mouth of the Danube, but negotiations then opened by Moscow with Germany for participation in control of the river came to naught. The Rumanian armistice of 1944, which confirmed the cession of Bessarabia by Rumania, strengthened the position of the U.S.S.R. on the Danube, which it further consolidated at the Belgrade conference. VERA MICHELES DEAN

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# Citizens and Foreign Policy

## News in the Making

### VI National Organization

The preceding articles on the new national program of the Foreign Policy Association have dealt primarily with community organization. Two matters for consideration still remain. The first concerns the relationship between the community organization and the National Association. The second is the integration of the research and publication functions of the Foreign Policy Association and other similar institutions.

In considering the first of these two problems it should be noted that the new national program fully recognizes the desire of any community to create its own organization as to structure and activities. Experience has shown, however, that great mutual benefits can be derived from community co-operation within a common national framework. The Foreign Policy Association belongs to all communities which are prepared to assume the responsibilities of such an integrated program. Under our revised bylaws any Branch with a thousand or more members, or any affiliated Council with 1,500 FPA subscribers, qualifies for representation on the National Board of Directors. Five regions and two cities are already so represented. The larger the number of Branches similar to Boston and Philadelphia or Councils equal to Cleveland, Chicago and San Francisco, the greater will be the success of an effective national program.

The Association Headquarters in New York will continue to maintain those functions which the experience of the past thirty years has proved to be educationally sound, and which will aid the growth of community organizations. At the same time it will have to make certain adjustments in the traditional pattern of its work to keep step with future developments. The National Headquarters will perform an indispensable service as the central agency of correspondence and exchange of information concerning the activities of various communities and the new methods and techniques of education which they devise. On the other hand, with the resulting growth of community centers and the nation-wide expansion of the new educational program, greater obligations will fall upon the Association as a whole. Its research publications, which are indispensable to effective community

education, must be constantly improved to meet the challenge of the times and expanding local needs. The same applies to the Speakers Bureau and other educational aids and necessary administrative services. Clearly all this cannot be done without increased financial support from those who recognize the paramount importance of the work of the Association.

The second problem concerns the integration of certain functions of the FPA with other national research institutions. The Association has already established a working relationship with the United Nations research program of the Carnegie Endowment for International Peace and the Far East program of the Institute of Pacific Relations. This is a matter of economy and of mutual advantage; we shall thereby make the products of research more accessible to a wider public. Co-ordination would be still more effective in meeting the national education needs if there existed similar institutes for research on Europe, Africa, Latin America and the Soviet Union. Their work could then be seconded and their support expanded through related study committees within each community organization, which would transmit more widely the products of their research while reinforcing the Association's proposed over-all program of functional integration. Only by such means will national research institutions individually, and community organizations collectively, fully achieve their separate functions, while for the first time serving adequately the transcendingly important needs of the "Citizens and Foreign Policy."

The challenge of the new national program is clear. The time has come for the American citizen to face up to the obligations and privileges of citizenship in regard to the understanding of world affairs. Great progress has been made in the field of pure science in the past decade and staggering sums have been spent for its advancement. Yet entirely insufficient amounts are now available for the popular application of education in world affairs at the national and community levels. Only by education can we avert the destruction which our present political ignorance makes inevitable in this atomic age. Such is the meaning of "education for survival."

BROOKS EMENY

Immediately following the announcement on August 20 by *the new state of Israel* that it was planning to apply for membership in the UN when the Security Council meets in Paris the first week in September, Sir Alexander Cadogan, permanent British delegate to the UN, announced in New York on August 21, as he sailed en route for Paris, that Britain would not vote for admission of Israel, which it has not recognized. . . . On August 18, at Lake Success, the Soviet Union, casting its twenty-seventh veto, barred *the admission to the UN of Ceylon*, former British crown colony which was accorded Dominion status this year, on the ground that, despite the proclamation of independence, the island is still a British colony dominated by a Governor General appointed in London. These charges were denied by Sir Alexander Cadogan. . . . *Will a new inter-oceanic canal be constructed* as a result of the preliminary reconnaissance which Colombia and the United States are jointly undertaking in the Atrato-Truando region of Colombia? This is at least the second such survey of the proposed route, which the former FPA president, General Frank Ross McCoy, investigated for the War Department at the beginning of this century. It constitutes no commitment by either nation, and is solely designed to obtain estimates of comparable costs of this and other possible canal routes. . . . *Governor Dewey's statement* to a group of Italian-Americans that he favored giving Italy administrative control, under United Nations trusteeship, of its former African colonies, now under British military administration, caused dismay in Washington, where government spokesmen pointed out that the future of Italian colonies is now the subject of international negotiations. The Italian peace treaty of 1947 provided that disposition of these colonies—Libya, Eritrea and Italian Somaliland—should first be considered by the Big Four. If the United States, Britain, Russia and France find it impossible to reach an agreement within one year, the matter must be referred to the General Assembly for a recommendation. Governor Dewey's statement also brought a sharp protest from Ethiopia, victim of Italian conquest in 1935, which has no desire to see Italian rule restored in neighboring Eritrea and Italian Somaliland.